

(C) ESCROW.

THE INCORPORATORS SHALL EXECUTE AND DELIVER TO THE DIVISION DIRECTOR IN ESCROW ANY ASSIGNMENT, PLEDGE, AND DELIVERY OF FREE SHARE ACCOUNTS IN THE SAVINGS AND LOAN ASSOCIATION WHICH HE MAY REQUIRE AS A GUARANTY AGAINST OPERATING DEFICITS AND ANY LOSSES WHICH EXCEED OTHER RESERVES OF THE SAVINGS AND LOAN ASSOCIATION.

REVISOR'S NOTE: This subsection is new language derived without substantive change from the second sentence of Art. 23, §161M(a) (2).

The term "free share account" is substituted for "account" in light of §6-212 of this subtitle.

Since this section applies only to incorporators before formation of the savings and loan association, the last sentence of Art. 23, §161M(a) (2) is deleted as unnecessary.

The words "division director" and "savings and loan association" are defined in §6-201 of this subtitle.

(D) EXPENSE FUND.

(1) THE INCORPORATORS SHALL ESTABLISH AND DEPOSIT TO THE CREDIT OF THE CHAIRMAN A CASH EXPENSE FUND IN AN AMOUNT EQUAL TO AT LEAST 25 PERCENT OF THE MINIMUM INITIAL SUBSCRIPTIONS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION.

(2) THE EXPENSE FUND SHALL BE USED TO PAY THE ORGANIZATIONAL EXPENSES AND, UNTIL EARNINGS ARE SUFFICIENT TO PAY THE OPERATING EXPENSES AND ANY DIVIDENDS WHICH MAY BE DECLARED ON FREE SHARE ACCOUNTS, THE OPERATING EXPENSES OF THE SAVINGS AND LOAN ASSOCIATION.

(3) EXCEPT AS OTHERWISE PROVIDED, A CONTRIBUTION OF AN INCORPORATOR TO THE EXPENSE FUND IS NOT A LIABILITY OF THE SAVINGS AND LOAN ASSOCIATION.

REVISOR'S NOTE: This subsection is new language derived without substantive change from Art. 23, §161M(b).

The words "chairman" and "savings and loan association" are defined in §6-201 of this subtitle.